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TAGS: [AORC](#) [KN](#) [KNNP](#) [MNUC](#) [PARM](#)

SUBJECT: DEMARCHE DELIVERED: PREVENTING DPRK FINANCIAL  
ABUSE OF THE UN SYSTEM

REF: STATE 108151

Classified By: USUN Deputy Permanent Representative Wolff; reason: 1.5  
(b) and (d).

(S) On August 8th, USUN Officers delivered a demarche to Mr. Jay Karia, Acting United Nations Controller, concerning currency transactions between United Nations agencies and the government of North Korea (DPRK). (Warren Sach, the Controller, was on leave.) Per reftel, Mission conveyed U.S. concerns that United Nations agencies in DPRK may be conducting their transactions in North Korea using U.S. Dollars and Euros and that, in connection with these transactions, DPRK banks may have given UN agencies counterfeit U.S. currency. Mr. Karia said he would instruct his office to look into the matter and get back to USUN shortly with initial findings and, as appropriate, indications how it would propose to proceed. Mr. Karia stated that the UN conducted only occasional "in-kind" transactions in DPRK and that, in any event, it was not UN policy to carry out transactions in hard currency. Mr. Karia noted, however, that the Controller could not speak to UN organizations not under the direct control of the UN Secretariat in New York. For example the UN's separately

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administered funds and programs (e.g., World Food Program; UN High Commissioner for Refugees) and UN Specialized Agencies (e.g., World Health Organization; Food and Agriculture Organization) carry out their own activities. Mr. Karia suggested that the U.S. demarche other organizations that have been active in DPRK; he indicated that UNHCR, in particular, may be active there.

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